



Reprinted
February 22, 2008

ENGROSSED HOUSE BILL No. 1250

DIGEST OF HB 1250 (Updated February 21, 2008 3:11 pm - DI 73)

Citations Affected: IC 6-9; IC 9-18; IC 14-14.

Synopsis: Local government finance. Changes the distribution of the Tippecanoe County innkeeper's tax. Establishes an advisory commission to make recommendations concerning the use of any proceeds of bonds issued to finance the development of Prophetstown State Park. Specifies that the Indiana finance authority, in its capacity as the recreational development commission, may issue bonds for the development of Prophetstown State Park. Requires the bureau of motor vehicles to design the Indiana Native American trust license plate with the advice of the Native American Indian affairs commission (NAIAC). Provides that money in the Indiana Native American trust fund must be paid to Historic Prophetstown through 2008 and to the NAIAC beginning in 2009. Authorizes Steuben County to impose a 1% food and beverage tax. Provides that: (1) half of the tax revenue is retained by the county; and (2) the other half of the revenue is distributed to the city of Angola.

Effective: Upon passage; July 1, 2008.

Klinker, Micon, Buell, Pond

(SENATE SPONSORS — HERSHMAN, ALTING, ROGERS, SIPES)

January 14, 2008, read first time and referred to Committee on Ways and Means.
January 22, 2008, amended, reported — Do Pass.
January 24, 2008, read second time, ordered engrossed.
January 25, 2008, engrossed.
January 30, 2008, read third time, passed. Yeas 75, nays 21.

SENATE ACTION

February 5, 2008, read first time and referred to Committee on Appropriations.
February 14, 2008, amended, reported favorably — Do Pass.
February 21, 2008, read second time, amended, ordered engrossed.

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EH 1250—LS 6919/DI 92+



Second Regular Session 115th General Assembly (2008)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2007 Regular Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1250

A BILL FOR AN ACT to amend the Indiana Code concerning
taxation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 6-9-7-3 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 2008]: Sec. 3. (a) The commission may:
3 (1) accept and use gifts, grants, and contributions from any public
4 or private source, under terms and conditions which the
5 commission deems necessary and desirable;
6 (2) sue and be sued;
7 (3) enter into contracts and agreements, including contracts and
8 agreements not to exceed ten (10) years;
9 (4) make rules and regulations necessary for the conduct of its
10 business and the accomplishment of its purposes;
11 (5) receive and approve, alter, or reject requests and proposals for
12 funding by any nonprofit corporations or political subdivisions;
13 (6) after its approval of a proposal, transfer money, quarterly or
14 less frequently, from any available funds ~~pursuant to section~~
15 ~~7(b)(2) or 7(c)(1)~~ **of the commission under section 7** of this
16 chapter for the purpose of promotion and encouragement in the
17 county of conventions, trade shows, visitors, or special events;

EH 1250—LS 6919/DI 92+



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and

(7) require financial or other reports from any entity that receives funds under this chapter.

(b) A majority of the commission constitutes a quorum for the transaction of business, and the concurrence of a majority of those present is necessary to authorize any action. However, the commission shall not transact any business without first giving written notice to the director of the county parks and recreation board at least forty-eight (48) hours in advance of the convening of a meeting at which business is to be transacted.

SECTION 2. IC 6-9-7-7, AS AMENDED BY P.L.167-2006, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 7. (a) The county treasurer shall establish an innkeeper's tax fund. The treasurer shall deposit in that fund all money received under section 6 of this chapter that is attributable to an innkeeper's tax rate that is not more than five percent (5%).

(b) Money in the innkeeper's tax fund shall be expended in the following order: **distributed as follows:**

(1) Through July 1999, not more than the revenue needed to service bonds issued under IC 36-10-3-40 through IC 36-10-3-45 and outstanding on January 1, 1993, may be used to service bonds. The county auditor shall make a semiannual distribution, at the same time property tax revenue is distributed, to a park and recreation district that has issued bonds payable from a county innkeeper's tax. Each semiannual distribution must be equal to one-half (1/2) of the annual principal and interest obligations on the bonds. Money received by a park and recreation district under this subdivision shall be deposited in a special fund to be used to service the bonds. During August 1999 the money that had been set aside to cover bond payments that remains after the bonds have been retired plus sixty percent (60%) of the tax revenue during August 1999 through December 1999 shall be distributed to the county treasurer to be used by the county park board, subject to appropriation by the county fiscal body.

(2) To the commission for its general use in paying operating expenses and to carry out the purposes set forth in section 3(a)(6) of this chapter. However, the amount that may be distributed under this subdivision during any particular year may not exceed the proceeds derived from an innkeeper's tax of two percent (2%) through December 1999 and fifty percent (50%) of the tax revenue beginning January 2000 and continuing through December 2014.

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(3) For the period beginning July 1, 2002, through December 2014, fifty percent (50%) of the revenue to the county treasurer to be credited by the treasurer to a special account. The county treasurer shall distribute money in the special account as follows:

(A) Seventy-five percent (75%) of the money in the special account

(1) **Thirty percent (30%)** shall be distributed to the department of natural resources for the development of projects in the state park on the county's largest river, including its tributaries.

(B) Twenty-five percent (25%) of the money in the special account shall be distributed to a community development corporation that serves a metropolitan area in the county that includes:

(i) a city having a population of more than fifty-five thousand (55,000) but less than fifty-nine thousand (59,000); and

(ii) a city having a population of more than twenty-eight thousand seven hundred (28,700) but less than twenty-nine thousand (29,000);

for the community development corporation's use in tourism; recreation; and economic development activities. For the period beginning July 1, 2002, and continuing through December 2012, the community development corporation shall provide not less than forty percent (40%) of the money received from the special account under this clause as a grant to a nonprofit corporation that leases land in the state park described in this subdivision for the nonprofit corporation's use in noncapital projects in the state park.

Money in the special account may not be used for any other purpose. The money credited to the account that has not been used as specified in this subdivision by January 1, 2015, shall be transferred to the commission to be used to make grants as provided in subsection (c)(2).

(c) Money in the innkeeper's tax fund subject to appropriation by the county council shall be allocated and distributed after December 2014 as follows:

(1) Fifty percent (50%) of the revenue to the commission for the commission's general use in paying operating expenses and to carry out the purposes set forth in section 3(a)(6) of this chapter.

(2) The remainder to the commission to be used solely to make grants for the development of recreation and tourism projects. The commission shall establish and make public the criteria that will be used in analyzing and awarding grants. At least ten percent

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(10%) but not more than fifteen percent (15%) of the grants may be awarded for noncapital projects. Grants may be made only to the following entities upon application by the executive of the entity:

(A) The county for deposit in a special account;

(B) The most populated city in the county for deposit in a special account;

(C) The second most populated city in the county for deposit in a special account;

(D) The Tippecanoe County Wabash River parkway commission; but only so long as the interlocal agreement among the political subdivisions listed in clauses (A) through (C) is in effect. Money received by the parkway commission shall be segregated in a special account.

(d) Money credited to special accounts under subsection (c)(2) shall be used only for recreation or tourism projects; or both:

(2) Forty percent (40%) shall be distributed to the commission to carry out its purposes, including making any distributions or payments to the Lafayette - West Lafayette Convention and Visitors Bureau, Inc.

(3) Ten percent (10%) shall be distributed to a community development corporation that serves a metropolitan area in the county that includes:

(A) a city having a population of more than fifty-five thousand (55,000) but less than fifty-nine thousand (59,000); and

(B) a city having a population of more than twenty-eight thousand seven hundred (28,700) but less than twenty-nine thousand (29,000);

for the community development corporation's use in tourism, recreation, and economic development activities.

(4) Ten percent (10%) shall be distributed to Historic Prophetstown to be used by Historic Prophetstown for carrying out its purposes.

(5) Ten percent (10%) shall be distributed to the Wabash River Enhancement Corporation to assist the Wabash River Enhancement Corporation in carrying out its purposes. Money distributed under this subdivision may not be used to pay any:

(A) employee salaries; or

(B) other ongoing administrative or operating costs; of the Wabash River Enhancement Corporation.

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(c) An advisory commission consisting of the following members is established:

(1) The director of the department of natural resources or the director's designee.

(2) The public finance director or the public finance director's designee.

(3) A member appointed by the Native American Indian affairs commission.

(4) A member appointed by Historic Prophetstown.

(5) A member appointed by the community development corporation described in subsection (b)(2)(B).

(6) A member appointed by the Wabash River Enhancement Corporation.

(7) A member appointed by the commission.

(8) A member appointed by the county fiscal body.

(9) A member appointed by the town board of the town of Battleground.

(10) A member appointed by the mayor of the city of Lafayette.

(11) A member appointed by the mayor of the city of West Lafayette.

(d) The following apply to the advisory commission:

(1) The governor shall appoint a member of the advisory commission as chairman of the advisory commission.

(2) Six (6) members of the advisory commission constitute a quorum. The affirmative votes of at least six (6) advisory commission members are necessary for the advisory commission to take official action other than to adjourn or to meet to hear reports or testimony.

(3) The advisory commission shall make recommendations concerning the use of any proceeds of bonds issued to finance the development of Prophetstown State Park.

(4) Members of the advisory commission who are state employees:

(A) are not entitled to any salary per diem; and

(B) are entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and to reimbursement for other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(e) The Indiana finance authority, in its capacity as the

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recreational development commission, may issue bonds for the development of Prophetstown State Park under IC 14-14-1.

SECTION 3. IC 6-9-40 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 40. Steuben County Food and Beverage Tax

Sec. 1. This chapter applies to Steuben County.

Sec. 2. The definitions in IC 6-9-12-1 apply throughout this chapter.

Sec. 3. (a) The fiscal body of the county may adopt an ordinance to impose an excise tax, known as the county food and beverage tax, on transactions described in section 4 of this chapter.

(b) If the fiscal body adopts an ordinance under subsection (a), the fiscal body shall immediately send a certified copy of the ordinance to the department of state revenue.

(c) If the fiscal body adopts an ordinance under subsection (a), the county food and beverage tax applies to transactions that occur after the last day of the month that succeeds the month in which the ordinance was adopted.

Sec. 4. (a) Except as provided in subsection (c), a tax imposed under section 3 of this chapter applies to a transaction in which food or beverage is furnished, prepared, or served:

- (1) for consumption at a location or on equipment provided by a retail merchant;
- (2) in the county in which the tax is imposed; and
- (3) by a retail merchant for consideration.

(b) Transactions described in subsection (a)(1) include transactions in which food or beverage is:

- (1) served by a retail merchant off the merchant's premises;
- (2) food sold in a heated state or heated by a retail merchant;
- (3) made of two (2) or more food ingredients, mixed or combined by a retail merchant for sale as a single item (other than food that is only cut, repackaged, or pasteurized by the seller, and eggs, fish, meat, poultry, and foods containing these raw animal foods requiring cooking by the consumer as recommended by the federal Food and Drug Administration in chapter 3, subpart 3-401.11 of its Food Code so as to prevent food borne illnesses); or
- (4) food sold with eating utensils provided by a retail merchant, including plates, knives, forks, spoons, glasses, cups, napkins, or straws (for purposes of this subdivision, a plate does not include a container or package used to

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transport the food).

(c) The county food and beverage tax does not apply to the furnishing, preparing, or serving of a food or beverage in a transaction that is exempt, or to the extent the transaction is exempt, from the state gross retail tax imposed by IC 6-2.5.

Sec. 5. The county food and beverage tax imposed on a food or beverage transaction described in section 4 of this chapter equals one percent (1%) of the gross retail income received by the merchant from the transaction. For purposes of this chapter, the gross retail income received by the retail merchant from a transaction does not include the amount of tax imposed on the transaction under IC 6-2.5.

Sec. 6. A tax imposed under this chapter shall be imposed, paid, and collected in the same manner that the state gross retail tax is imposed, paid, and collected under IC 6-2.5. However, the return to be filed with the payment of the tax imposed under this chapter may be made on a separate return or may be combined with the return filed for the payment of the state gross retail tax, as prescribed by the department of state revenue.

Sec. 7. The amounts received from the tax imposed under this chapter shall be paid monthly by the treasurer of state to the county fiscal officer upon warrants issued by the auditor of state. The county auditor shall, at least monthly, make a distribution of fifty percent (50%) of the amount received from the treasurer of state in the immediately preceding thirty (30) days to the city of Angola. The remainder of the distribution shall be retained for use by the county.

Sec. 8. (a) If a tax is imposed under section 3 of this chapter by a county described in section 1 of this chapter, the fiscal officer of a political subdivision receiving a distribution under this chapter shall establish a food and beverage tax receipts fund.

(b) The fiscal officer of the county shall deposit in this fund all amounts received under this chapter.

(c) Money earned from the investment of money in the fund becomes a part of the fund.

Sec. 9. (a) Except as provided in subsection (b), money in the fund established under section 8 of this chapter shall be used by a political subdivision receiving a distribution under this chapter only for the following purposes:

- (1) Construction, extension, or completion of sewerlines, waterlines, streets, curbs, sidewalks, bridges, roads, highways, alleys, public ways, parking facilities, lighting, electric signals,

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information and high technology infrastructure (as defined IC 5-28-9-4), and any other infrastructure improvements.

(2) Engineering, legal, and other consulting or advisory services, plans, specifications, surveys, cost estimates, and other costs or expenses necessary or incident to activities described in subdivision (1).

(3) Park and recreation purposes, including the purchase of land for park and recreation purposes.

(4) Police and law enforcement purposes, firefighting and fire prevention purposes, emergency medical services and ambulance services, and other public safety purposes.

(b) The fiscal body of a political subdivision receiving a distribution under this chapter may pledge money in the political subdivision's fund to pay bonds issued, loans obtained, and lease payments or other obligations incurred by or on behalf of the political subdivision to provide the infrastructure improvements described in subsection (a).

(c) A pledge under subsection (b) is enforceable under IC 5-1-14-4.

Sec. 10. With respect to obligations for which a pledge has been made under section 9(b) of this chapter, the general assembly covenants with the holders of the obligations that this chapter will not be repealed or amended in a manner that will adversely affect the imposition or collection of the tax imposed under this chapter if the payment of any of the obligations is outstanding.

Sec. 11. The general assembly finds that Steuben County and the city of Angola face unique challenges because of their fluctuating population and that the challenges may be addressed through the provisions of this chapter.

SECTION 5. IC 9-18-44-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. The bureau of motor vehicles shall, **with the advice of the Native American Indian affairs commission established under IC 4-4-31.4**, design and issue an Indiana Native American trust license plate. The Indiana Native American trust license plate shall be designed and issued as a special group recognition license plate under IC 9-18-25.

SECTION 6. IC 9-18-44-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 4. (a) The Indiana Native American trust fund is established.

(b) The treasurer of state shall invest the money in the Indiana Native American trust fund not currently needed to meet the obligations of the Indiana Native American trust fund in the same

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manner as other public trust funds are invested. Interest that accrues from these investments shall be deposited in the Indiana Native American trust fund.

(c) The commissioner shall administer the Indiana Native American trust fund. Expenses of administering the Indiana Native American trust fund shall be paid from money in the Indiana Native American trust fund.

(d) On June 30 of each year, the commissioner shall distribute the money from the fund **as follows:**

(1) To The Museums At Prophetstown, Inc. Historic Prophetstown for a calendar year ending before January 1, 2009.

(2) To the Native American Indian affairs commission established under IC 4-4-31.4 for a calendar year beginning after December 31, 2008.

(e) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

(f) The Native American Indian affairs commission may use money received under this section for any lawful purpose of the Native American Indian affairs commission.

SECTION 7. IC 14-14-1-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 22. The commission may periodically provide by resolution for the issuance of ~~park revenue~~ bonds of the commission for the purpose of paying all or any part of the cost of at least one (1) park project. The principal of and the interest on the bonds is payable ~~solely~~ from:

(1) the park revenues; or

(2) any other revenues;

specifically pledged **or committed by statute** to the payment of the principal and interest.

SECTION 8. **An emergency is declared for this act.**

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1250, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, line 25, delete "Forty" and insert "**Twenty**".

Page 2, line 25, delete "(40%)" and insert "**(20%)**".

Page 2, line 16, strike "2002," and insert "**2008,**".

Page 2, delete lines 35 through 42.

Page 3, delete line 1, begin a new line double block indented and insert:

"for the community development corporation's use in tourism, recreation, and economic development activities.

(C) For the period beginning July 1, 2002, and continuing through December 2012, the community development corporation shall provide not less than forty percent (40%) of the money received from the special account under this clause as a grant to a nonprofit corporation that leases land in the state park described in this subdivision for the nonprofit corporation's **twenty percent (20%) of the money in the special account shall be distributed to Historic Prophetstown** use in noncapital projects in the state park described in this subdivision.

Page 3, between lines 31 and 32, begin a new paragraph and insert:

"(e) The Indiana finance authority, in its capacity as the recreational development commission, shall issue bonds for the development of Prophetstown State Park under IC 14-14-1. The principal of and the interest on the bonds is payable solely from the revenues distributed to the department of natural resources under subsection (b)(3)(A)."

Page 4, after line 22, begin a new paragraph and insert:

"SECTION 24. IC 14-14-1-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 22. The commission may periodically provide by resolution for the issuance of ~~park revenue~~ bonds of the commission for the purpose of paying all or any part of the cost of at least one (1) park project. The principal of and the interest on the bonds is payable ~~solely~~ from:

(1) the park revenues; or

(2) any other revenues;

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specifically pledged **or committed by statute** to the payment of the principal and interest."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1250 as introduced.)

CRAWFORD, Chair

Committee Vote: yeas 20, nays 0.

COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred House Bill No. 1250, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, delete lines 1 through 17, begin a new paragraph and insert:

"SECTION 1. IC 6-9-7-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3. (a) The commission may:

- (1) accept and use gifts, grants, and contributions from any public or private source, under terms and conditions which the commission deems necessary and desirable;
- (2) sue and be sued;
- (3) enter into contracts and agreements, including contracts and agreements not to exceed ten (10) years;
- (4) make rules and regulations necessary for the conduct of its business and the accomplishment of its purposes;
- (5) receive and approve, alter, or reject requests and proposals for funding by any nonprofit corporations or political subdivisions;
- (6) after its approval of a proposal, transfer money, quarterly or less frequently, from any available funds ~~pursuant to section 7(b)(2) or 7(c)(1) of the commission under section 7~~ of this chapter for the purpose of promotion and encouragement in the county of conventions, trade shows, visitors, or special events; and
- (7) require financial or other reports from any entity that receives funds under this chapter.

(b) A majority of the commission constitutes a quorum for the transaction of business, and the concurrence of a majority of those present is necessary to authorize any action. However, the commission shall not transact any business without first giving written notice to the

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director of the county parks and recreation board at least forty-eight (48) hours in advance of the convening of a meeting at which business is to be transacted.

SECTION 2. IC 6-9-7-7, AS AMENDED BY P.L.167-2006, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 7. (a) The county treasurer shall establish an innkeeper's tax fund. The treasurer shall deposit in that fund all money received under section 6 of this chapter that is attributable to an innkeeper's tax rate that is not more than five percent (5%).

(b) Money in the innkeeper's tax fund shall be expended in the following order: distributed as follows:

(1) Through July 1999, not more than the revenue needed to service bonds issued under IC 36-10-3-40 through IC 36-10-3-45 and outstanding on January 1, 1993, may be used to service bonds. The county auditor shall make a semiannual distribution, at the same time property tax revenue is distributed, to a park and recreation district that has issued bonds payable from a county innkeeper's tax. Each semiannual distribution must be equal to one-half (1/2) of the annual principal and interest obligations on the bonds. Money received by a park and recreation district under this subdivision shall be deposited in a special fund to be used to service the bonds. During August 1999 the money that had been set aside to cover bond payments that remains after the bonds have been retired plus sixty percent (60%) of the tax revenue during August 1999 through December 1999 shall be distributed to the county treasurer to be used by the county park board, subject to appropriation by the county fiscal body.

(2) To the commission for its general use in paying operating expenses and to carry out the purposes set forth in section 3(a)(6) of this chapter. However, the amount that may be distributed under this subdivision during any particular year may not exceed the proceeds derived from an innkeeper's tax of two percent (2%) through December 1999 and fifty percent (50%) of the tax revenue beginning January 2000 and continuing through December 2014.

(3) For the period beginning July 1, 2002, through December 2014, fifty percent (50%) of the revenue to the county treasurer to be credited by the treasurer to a special account. The county treasurer shall distribute money in the special account as follows:

(A) Seventy-five percent (75%) of the money in the special account

(1) Thirty percent (30%) shall be distributed to the department

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of natural resources for the development of projects in the state park on the county's largest river, including its tributaries.

(B) Twenty-five percent (25%) of the money in the special account shall be distributed to a community development corporation that serves a metropolitan area in the county that includes:

- (i) a city having a population of more than fifty-five thousand (55,000) but less than fifty-nine thousand (59,000); and
- (ii) a city having a population of more than twenty-eight thousand seven hundred (28,700) but less than twenty-nine thousand (29,000);

for the community development corporation's use in tourism; recreation; and economic development activities. For the period beginning July 1, 2002, and continuing through December 2012, the community development corporation shall provide not less than forty percent (40%) of the money received from the special account under this clause as a grant to a nonprofit corporation that leases land in the state park described in this subdivision for the nonprofit corporation's use in noncapital projects in the state park.

Money in the special account may not be used for any other purpose. The money credited to the account that has not been used as specified in this subdivision by January 1, 2015, shall be transferred to the commission to be used to make grants as provided in subsection (c)(2):

(c) Money in the innkeeper's tax fund subject to appropriation by the county council shall be allocated and distributed after December 2014 as follows:

- (1) Fifty percent (50%) of the revenue to the commission for the commission's general use in paying operating expenses and to carry out the purposes set forth in section 3(a)(6) of this chapter.
- (2) The remainder to the commission to be used solely to make grants for the development of recreation and tourism projects. The commission shall establish and make public the criteria that will be used in analyzing and awarding grants. At least ten percent (10%) but not more than fifteen percent (15%) of the grants may be awarded for noncapital projects. Grants may be made only to the following entities upon application by the executive of the entity:

(A) The county for deposit in a special account.

(B) The most populated city in the county for deposit in a special account.

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(C) The second most populated city in the county for deposit in a special account.

(D) The Tippecanoe County Wabash River parkway commission; but only so long as the interlocal agreement among the political subdivisions listed in clauses (A) through (C) is in effect. Money received by the parkway commission shall be segregated in a special account.

(d) Money credited to special accounts under subsection (c)(2) shall be used only for recreation or tourism projects, or both.

(2) Seventy percent (70%) shall be distributed to a special account administered by the county treasurer. The county fiscal body may appropriate money in the special account only as follows:

(A) At least ten percent (10%) of the amount appropriated annually from the special account must be appropriated to Historic Prophetstown to be used by Historic Prophetstown for carrying out its purposes.

(B) At least ten percent (10%) of the amount appropriated annually from the special account must be appropriated to a community development corporation that serves a metropolitan area in the county that includes:

(i) a city having a population of more than fifty-five thousand (55,000) but less than fifty-nine thousand (59,000); and

(ii) a city having a population of more than twenty-eight thousand seven hundred (28,700) but less than twenty-nine thousand (29,000);

for the community development corporation's use in tourism, recreation, and economic development activities.

(C) At least ten percent (10%) of the amount appropriated annually from the special account must be appropriated to the Wabash River Enhancement Corporation to assist the Wabash River Enhancement Corporation in carrying out its purposes.

(D) At least ten percent (10%) of the amount appropriated annually from the special account must be appropriated to the commission for its general use in paying operating expenses and to carry out the purposes set forth in section 3(a)(6) of this chapter.

(E) After amounts have been appropriated as provided in clauses (A) through (D), the county fiscal body may appropriate any money remaining in the special account to

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any one (1) or more of the entities described in clauses (A) through (D).

(c) An advisory commission consisting of the following members is established:

- (1) The director of the department of natural resources or the director's designee.
- (2) The public finance director or the public finance director's designee.
- (3) A member appointed by the Native American Indian affairs commission.
- (4) A member appointed by Historic Prophetstown.
- (5) A member appointed by the community development corporation described in subsection (b)(2)(B).
- (6) A member appointed by the Wabash River Enhancement Corporation.
- (7) A member appointed by the commission.
- (8) A member appointed by the county fiscal body.
- (9) A member appointed by the town board of the town of Battleground.
- (10) A member appointed by the mayor of the city of Lafayette.
- (11) A member appointed by the mayor of the city of West Lafayette.

(d) The following apply to the advisory commission:

- (1) The governor shall appoint a member of the advisory commission as chairman of the advisory commission.
- (2) Six (6) members of the advisory commission constitute a quorum. The affirmative votes of at least six (6) advisory commission members are necessary for the advisory commission to take official action other than to adjourn or to meet to hear reports or testimony.
- (3) The advisory commission shall make recommendations concerning the use of any proceeds of bonds issued to finance the development of Prophetstown State Park.
- (4) Members of the advisory commission who are state employees:
 - (A) are not entitled to any salary per diem; and
 - (B) are entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and to reimbursement for other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of

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administration and approved by the budget agency.

(e) The Indiana finance authority, in its capacity as the recreational development commission, may issue bonds for the development of Prophetstown State Park under IC 14-14-1."

Delete page 2.

Page 3, delete lines 1 through 40, begin a new paragraph and insert:

"SECTION 2. IC 6-9-40 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 40. Angola Food and Beverage Tax

Sec. 1. This chapter applies to the city of Angola.

Sec. 2. The definitions in IC 6-9-12-1 apply throughout this chapter.

Sec. 3. (a) The fiscal body of the city may adopt an ordinance to impose an excise tax, known as the municipal food and beverage tax, on transactions described in section 4 of this chapter.

(b) If the fiscal body adopts an ordinance under subsection (a), the fiscal body shall immediately send a certified copy of the ordinance to the department of state revenue.

(c) If the fiscal body adopts an ordinance under subsection (a), the municipal food and beverage tax applies to transactions that occur after the last day of the month that succeeds the month in which the ordinance was adopted.

Sec. 4. (a) Except as provided in subsection (c), a tax imposed under section 3 of this chapter applies to a transaction in which food or beverage is furnished, prepared, or served:

- (1) for consumption at a location or on equipment provided by a retail merchant;**
- (2) in the city in which the tax is imposed; and**
- (3) by a retail merchant for consideration.**

(b) Transactions described in subsection (a)(1) include transactions in which food or beverage is:

- (1) served by a retail merchant off the merchant's premises;**
- (2) food sold in a heated state or heated by a retail merchant;**
- (3) made of two (2) or more food ingredients, mixed or combined by a retail merchant for sale as a single item (other than food that is only cut, repackaged, or pasteurized by the seller, and eggs, fish, meat, poultry, and foods containing these raw animal foods requiring cooking by the consumer as recommended by the federal Food and Drug Administration in chapter 3, subpart 3-401.11 of its Food Code so as to prevent food borne illnesses); or**

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(4) food sold with eating utensils provided by a retail merchant, including plates, knives, forks, spoons, glasses, cups, napkins, or straws (for purposes of this subdivision, a plate does not include a container or package used to transport the food).

(c) The municipal food and beverage tax does not apply to the furnishing, preparing, or serving of a food or beverage in a transaction that is exempt, or to the extent the transaction is exempt, from the state gross retail tax imposed by IC 6-2.5.

Sec. 5. The municipal food and beverage tax imposed on a food or beverage transaction described in section 4 of this chapter equals one percent (1%) of the gross retail income received by the merchant from the transaction. For purposes of this chapter, the gross retail income received by the retail merchant from a transaction does not include the amount of tax imposed on the transaction under IC 6-2.5.

Sec. 6. A tax imposed under this chapter shall be imposed, paid, and collected in the same manner that the state gross retail tax is imposed, paid, and collected under IC 6-2.5. However, the return to be filed with the payment of the tax imposed under this chapter may be made on a separate return or may be combined with the return filed for the payment of the state gross retail tax, as prescribed by the department of state revenue.

Sec. 7. The amounts received from the tax imposed under this chapter shall be paid monthly by the treasurer of state to the city fiscal officer upon warrants issued by the auditor of state.

Sec. 8. (a) If a tax is imposed under section 3 of this chapter by a city described in section 1 of this chapter, the fiscal officer of the city shall establish a food and beverage tax receipts fund.

(b) The fiscal officer of the city shall deposit in this fund all amounts received under this chapter.

(c) Money earned from the investment of money in the fund becomes a part of the fund.

Sec. 9. (a) Except as provided in subsection (b), money in the fund established under section 8 of this chapter shall be used by the city only for the following purposes:

(1) Construction, extension, or completion of sewerlines, waterlines, streets, curbs, sidewalks, bridges, roads, highways, alleys, public ways, parking facilities, lighting, electric signals, information and high technology infrastructure (as defined IC 5-28-9-4), and any other infrastructure improvements.

(2) Engineering, legal, and other consulting or advisory

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services, plans, specifications, surveys, cost estimates, and other costs or expenses necessary or incident to activities described in subdivision (1).

(3) Park and recreation purposes, including the purchase of land for park and recreation purposes.

(4) Police and law enforcement purposes, firefighting and fire prevention purposes, emergency medical services and ambulance services, and other public safety purposes.

(b) The fiscal body of the city may pledge money in the fund to pay bonds issued, loans obtained, and lease payments or other obligations incurred by or on behalf of the city to provide the infrastructure improvements described in subsection (a).

(c) A pledge under subsection (b) is enforceable under IC 5-1-14-4.

Sec. 10. With respect to obligations for which a pledge has been made under section 9(b) of this chapter, the general assembly covenants with the holders of the obligations that this chapter will not be repealed or amended in a manner that will adversely affect the imposition or collection of the tax imposed under this chapter if the payment of any of the obligations is outstanding.

Sec. 11. The general assembly finds that the city of Angola faces unique challenges because of its fluctuating population and that the challenges may be addressed through the provisions of this chapter.

SECTION 3. IC 6-9-41 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 41. Greendale Food and Beverage Tax

Sec. 1. This chapter applies to a city:

(1) located in a county having a population of more than forty-six thousand one hundred eight (46,108) but less than forty-six thousand two hundred fifty (46,250); and

(2) having a population of more than four thousand two hundred (4,200) but less than four thousand three hundred fifty (4,350).

Sec. 2. The definitions in IC 6-9-12-1 apply throughout this chapter.

Sec. 3. (a) The fiscal body of the city may adopt an ordinance to impose an excise tax, known as the municipal food and beverage tax, on transactions described in section 4 of this chapter.

(b) If the fiscal body adopts an ordinance under subsection (a), the fiscal body shall immediately send a certified copy of the

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ordinance to the department of state revenue.

(c) If the fiscal body adopts an ordinance under subsection (a), the city food and beverage tax applies to transactions that occur after the last day of the month that succeeds the month in which the ordinance was adopted.

Sec. 4. (a) Except as provided in subsection (c), a tax imposed under section 3 of this chapter applies to a transaction in which food or beverage is furnished, prepared, or served:

- (1) for consumption at a location or on equipment provided by a retail merchant;
- (2) in the city in which the tax is imposed; and
- (3) by a retail merchant for consideration.

(b) Transactions described in subsection (a)(1) include transactions in which food or beverage is:

- (1) served by a retail merchant off the merchant's premises;
- (2) food sold in a heated state or heated by a retail merchant;
- (3) made of two (2) or more food ingredients, mixed or combined by a retail merchant for sale as a single item (other than food that is only cut, repackaged, or pasteurized by the seller, and eggs, fish, meat, poultry, and foods containing these raw animal foods requiring cooking by the consumer as recommended by the federal Food and Drug Administration in chapter 3, subpart 3-401.11 of its Food Code so as to prevent food borne illnesses); or
- (4) food sold with eating utensils provided by a retail merchant, including plates, knives, forks, spoons, glasses, cups, napkins, or straws (for purposes of this subdivision, a plate does not include a container or package used to transport the food).

(c) The city food and beverage tax does not apply to the furnishing, preparing, or serving of a food or beverage in a transaction that is exempt, or to the extent the transaction is exempt, from the state gross retail tax imposed by IC 6-2.5.

Sec. 5. The city food and beverage tax imposed on a food or beverage transaction described in section 4 of this chapter equals one percent (1%) of the gross retail income received by the merchant from the transaction. For purposes of this chapter, the gross retail income received by the retail merchant from a transaction does not include the amount of tax imposed on the transaction under IC 6-2.5.

Sec. 6. A tax imposed under this chapter shall be imposed, paid, and collected in the same manner that the state gross retail tax is

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imposed, paid, and collected under IC 6-2.5. However, the return to be filed with the payment of the tax imposed under this chapter may be made on a separate return or may be combined with the return filed for the payment of the state gross retail tax, as prescribed by the department of state revenue.

Sec. 7. The amounts received from the tax imposed under this chapter shall be paid monthly by the treasurer of state to the city fiscal officer upon warrants issued by the auditor of state.

Sec. 8. (a) If a tax is imposed under section 3 of this chapter by a city described in section 1 of this chapter, the fiscal officer of the city shall establish a food and beverage tax receipts fund.

(b) The fiscal officer of the city shall deposit in this fund all amounts received under this chapter.

(c) Money earned from the investment of money in the fund becomes a part of the fund.

Sec. 9. (a) Except as provided in subsection (b), money in the fund established under section 8 of this chapter shall be used by the city for the purchase, financing, construction, leasing, operation, or maintenance of the following:

- (1) City hall.
- (2) Park or recreational facilities.
- (3) Police, fire, and emergency medical services.

(b) The fiscal body of the city may pledge money in the fund to pay bonds issued, loans obtained, and lease payments or other obligations incurred by or on behalf of the city to provide the facilities and services described in subsection (a).

(c) A pledge under subsection (b) is enforceable under IC 5-1-14-4.

Sec. 10. With respect to obligations for which a pledge has been made under section 9(b) of this chapter, the general assembly covenants with the holders of the obligations that this chapter will not be repealed or amended in a manner that will adversely affect the imposition or collection of the tax imposed under this chapter if the payment of any of the obligations is outstanding.

Sec. 11. A city described in section 1 of this chapter faces unique economic development challenges. Maintaining low property tax rates is essential to economic development. Using food and beverage tax revenues as provided in this chapter instead of property taxes to support the economic and cultural development initiative described in section 9 of this chapter promotes that purpose.

SECTION 4. IC 6-9-42 IS ADDED TO THE INDIANA CODE AS

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A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 42. Greendale Innkeeper's Tax

Sec. 1. This chapter applies to a city:

- (1) located in a county having a population of more than forty-six thousand one hundred eight (46,108) but less than forty-six thousand two hundred fifty (46,250); and
- (2) having a population of more than four thousand two hundred (4,200) but less than four thousand three hundred fifty (4,350).

Sec. 2. The following definitions apply throughout this chapter:

- (1) "Executive" and "fiscal body" have the meanings set forth in IC 36-1-2.
- (2) "Gross retail income" and "person" have the meanings set forth in by IC 6-2.5-1.

Sec. 3. (a) The fiscal body of the city may levy a tax on every person engaged in the business of renting or furnishing, for periods of less than thirty (30) days, any room or rooms, lodgings, or accommodations in any:

- (1) hotel;
- (2) motel;
- (3) boat motel;
- (4) inn;
- (5) college or university memorial union;
- (6) college or university residence hall or dormitory; or
- (7) tourist cabin;

located in the city.

(b) The tax does not apply to gross income received in a transaction in which:

- (1) a student rents lodgings in a college or university residence hall while that student participates in a course of study for which the student receives college credit from a college or university located in the city; or
- (2) a person rents a room, lodging, or accommodations for a period of thirty (30) days or more.

(c) The tax may not exceed the rate of five percent (5%) on the gross retail income derived from lodging income only and is in addition to the state gross retail tax imposed under IC 6-2.5.

(d) A tax imposed under this chapter shall be imposed, paid, and collected in exactly the same manner as the state gross retail tax is imposed, paid, and collected under IC 6-2.5.

(e) All of the provisions of IC 6-2.5 relating to rights, duties,

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liabilities, procedures, penalties, definitions, exemptions, and administration are applicable to the imposition and administration of the tax imposed under this chapter except to the extent those provisions are in conflict or inconsistent with the specific provisions of this chapter. The return to be filed for the payment of the tax under this section may be a separate return or may be combined with the return filed for the payment of the state gross retail tax as the department of the state revenue may, by rule, determine.

(f) The amounts received from the tax imposed under this section shall be paid monthly by the treasurer of state to the fiscal officer of the city upon warrants issued by the auditor of state.

Sec. 4. If a tax is levied under section 3 of this chapter, the fiscal officer of the city shall establish an innkeeper's tax receipts fund. The fiscal officer of the city shall deposit in this fund all amounts collected under this chapter.

Sec. 5. (a) Except as provided in subsection (b), money in the fund established under section 4 of this chapter shall be used by the municipality for the purchase, financing, construction, leasing, operation, or maintenance of the following:

- (1) City hall.
- (2) Park or recreational facilities.
- (3) Police, fire, and emergency medical services.

(b) The fiscal body of the city may pledge money in the fund to pay bonds issued, loans obtained, and lease payments or other obligations incurred by or on behalf of the city to provide the facilities and services described in subsection (a).

(c) A pledge under subsection (b) is enforceable under IC 5-1-14-4.

Sec. 6. With respect to obligations for which a pledge has been made under section 5(b) of this chapter, the general assembly covenants with the holders of the obligations that this chapter will not be repealed or amended in a manner that will adversely affect the imposition or collection of the tax imposed under this chapter if the payment of any of the obligations is outstanding.

Sec. 7. A city described in section 1 of this chapter faces unique economic development challenges. Maintaining low property tax rates is essential to economic development. Using innkeeper's tax revenues as provided in this chapter instead of property taxes to support the economic and cultural development initiative described in section 5 of this chapter promotes that purpose."

Page 4, after line 41, begin a new paragraph and insert:

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"SECTION 8. **An emergency is declared for this act.**".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1250 as printed January 22, 2008.)

MEEKS, Chairperson

Committee Vote: Yeas 12, Nays 0.

SENATE MOTION

Madam President: I move that Engrossed House Bill 1250 be amended to read as follows:

Page 4, delete lines 17 through 42, begin a new line block indented and insert:

"(2) Forty percent (40%) shall be distributed to the commission to carry out its purposes, including making any distributions or payments to the Lafayette - West Lafayette Convention and Visitors Bureau, Inc.

(3) Ten percent (10%) shall be distributed to a community development corporation that serves a metropolitan area in the county that includes:

(A) a city having a population of more than fifty-five thousand (55,000) but less than fifty-nine thousand (59,000); and

(B) a city having a population of more than twenty-eight thousand seven hundred (28,700) but less than twenty-nine thousand (29,000);

for the community development corporation's use in tourism, recreation, and economic development activities.

(4) Ten percent (10%) shall be distributed to Historic Prophetstown to be used by Historic Prophetstown for carrying out its purposes.

(5) Ten percent (10%) shall be distributed to the Wabash River Enhancement Corporation to assist the Wabash River Enhancement Corporation in carrying out its purposes. Money distributed under this subdivision may not be used to pay any:

(A) employee salaries; or

(B) other ongoing administrative or operating costs; of the Wabash River Enhancement Corporation."

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Page 5, delete lines 1 through 9.

(Reference is to EHB 1250 as printed February 15, 2008.)

HERSHMAN

SENATE MOTION

Madam President: I move that Engrossed House Bill 1250 be amended to read as follows:

Page 8, delete lines 30 through 42.

Delete pages 9 through 12.

Page 13, delete lines 1 through 4.

(Reference is to EHB 1250 as printed February 15, 2008.)

NUGENT

SENATE MOTION

Madam President: I move that Engrossed House Bill 1250 be amended to read as follows:

Page 6, line 15, delete "Angola" and insert "**Steuben County**".

Page 6, line 16, delete "the city of Angola" and insert "**Steuben County**".

Page 6, line 19, delete "city" and insert "**county**".

Page 6, line 20, delete "municipal" and insert "**county**".

Page 6, line 26, delete "municipal" and insert "**county**".

Page 6, line 34, delete "city" and insert "**county**".

Page 7, line 11, delete "municipal" and insert "**county**".

Page 7, line 15, delete "municipal" and insert "**county**".

Page 7, line 30, delete "city" and insert "**county**".

Page 7, line 31, after "state." insert "**The county auditor shall, at least monthly, make a distribution of fifty percent (50%) of the amount received from the treasurer of state in the immediately preceding thirty (30) days to the city of Angola. The remainder of the distribution shall be retained for use by the county.**".

Page 7, line 33, delete "city" and insert "**county**".

Page 7, line 33, after "officer of" delete "the" and insert "**a political subdivision receiving a distribution under this chapter**".

Page 7, line 34, delete "city".

EH 1250—LS 6919/DI 92+



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Page 7, line 35, delete "the city" and insert "**a political subdivision receiving a distribution under this chapter**".

Page 7, line 40, delete "the" and insert "**a political subdivision receiving a distribution under this chapter**".

Page 7, line 41, delete "city".

Page 8, line 14, delete "the city" and insert "**a political subdivision receiving a distribution under this chapter**".

Page 8, line 14, after "in the" insert "**political subdivision's**".

Page 8, line 16, delete "city" and insert "**political subdivision**".

Page 8, line 26, after "that" insert "**Steuben County and**".

Page 8, line 26, delete "faces" and insert "**face**".

Page 8, line 27, delete "its" and insert "**their**".

(Reference is to EHB 1250 as printed February 15, 2008.)

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